

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:	<b>Chapter 11 Case No.</b>
<b>In re</b>	:	
	:	<b>08-13555 (JMP)</b>
<b>LEHMAN BROTHERS HOLDINGS INC., et al.</b>	:	
	:	<b>(Jointly Administered)</b>
<b>Debtors.</b>	:	
	:	
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**SUPPLEMENTAL AFFIDAVIT AND DISCLOSURE STATEMENT OF  
KATHERINE A. BURROUGHS, ON BEHALF OF DECHERT LLP**

STATE OF CONNECTICUT                     )  
  ) ss:  
COUNTY OF HARTFORD                    )

Katherine A. Burroughs, being duly sworn, upon her oath, deposes and says:

1. I am a partner in the law firm of Dechert LLP (the "Firm"), with offices in several locations, including an office located at 1095 Avenue of the Americas, 28<sup>th</sup> Floor, New York, New York 10022.

2. I submit this affidavit to supplement the affidavit and disclosure statement filed on January 22, 2009 pursuant to the Order Authorizing the Debtors to Employ Professionals in the Ordinary Course of Business ("Initial OCP Papers").

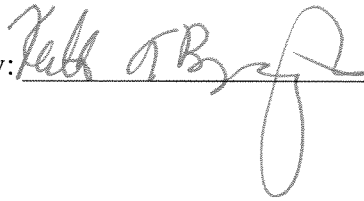
3. The Firm received from the counsel for the above captioned chapter 11 debtors (the "Debtors") a list (the "Master List") of potential parties-in-interest (collectively, the "Interested Parties"). The Firm conducted a review of its conflicts databases to ascertain any "connections" with the Debtors, their creditors, or any other Interested Parties, their respective attorneys and accountants, the U.S. trustee, or any person employed in the office of the U.S.

Trustee. After completing its conflicts review, the Firm determined that it could ethically represent the Debtors so long as certain ethical screens were established and certain conflict waivers were obtained. The Firm has established the ethical screens and obtained the conflict waivers it believes are reasonably necessary to represent ethically the Debtors.

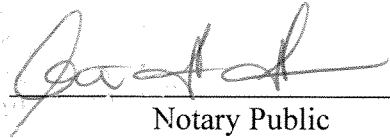
4. The Firm has conducted ongoing review of potential conflicts. Upon receiving an updated Master List from the Debtors' counsel, the Firm reviewed its databases for potential connections to entities added to the Master List (collectively, the "Recently Added Interested Parties") since I caused the Initial OCP Papers to be filed. The Firm does not represent, and has not represented, any of the Recently Added Interested Parties in any matters that come within the scope of the Firm's representation of the Debtors.

5. Exhibit "1" to this affidavit lists the Firm's connections to the Recently Added Interested Parties. Neither the term "connection," as used in Fed. R. Bankr. P. 2014, nor the proper scope of a professional's search for a "connection" has been defined, and I am therefore uncertain what this Court may consider a "connection" requiring disclosure. Out of an abundance of caution, I have disclosed many representations, which are not, to my understanding, disqualifying or problematic under either Section 327(e) of the Bankruptcy Code or applicable standards or professional ethics.

6. The Firm formerly represented BNC Corp, an affiliate of BNC Mortgage, LLC with respect to the organization of a collective investment fund. The Firm last entered time with respect to this representation in April 2003. The matter was closed in April 2007. The Firm's former representation of BNC Corp. is unrelated to the Firm's representation of the Debtors as an ordinary course professional.

By: 

Subscribed and sworn to before me  
this 10<sup>th</sup> day of April, 2009

  
Notary Public

**CATHERINE J. JENSSEN**  
**NOTARY PUBLIC**  
**STATE OF CONNECTICUT**  
**MY COMMISSION EXPIRES: 8/31/09**

**Exhibit 1: Representations of Certain Parties in Interest in Matters Unrelated to Debtors'**  
**Cases**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Selected Derivative Counterparties	Tullett Prebon Holdings Corporation	Tullett Prebon Holdings Corporation is not a client of Dechert, but Dechert has represented and currently represents a number of affiliates of Tullett Prebon Holdings Corporation in certain unrelated litigation matters.
Selected Derivative Counterparties	Banca Italease S.p.A.	Banca Italease S.p.A. is not a client, but a certain affiliate of Banca Italease S.p.A. is a client in certain unrelated financial services matters.
Selected Derivative Counterparties	Iconix Brand Group, Inc.	Iconix Brand Group, Inc. is not a client but Dechert represents certain affiliates of Iconix Brand Group, Inc. in certain unrelated corporate matters.
Selected Derivative Counterparties	Emigrant Bank	Emigrant Bank is a client in certain unrelated litigation matters.
Selected Derivative Counterparties	Bayview Financial, L.P.	Bayview Financial, L.P. is not a client but a certain affiliate of Bayview Financial, L.P. is a client in certain unrelated financial services matters.
Selected Derivative Counterparties	Tradition (North America) Inc.	Tradition (North America) Inc. is not a client, but Dechert has represented an affiliate of Tradition (North America) Inc. in certain unrelated employee benefits matters.

**Representations of Parties in Interest in Unrelated Matters (Cont'd)**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Selected Derivative Counterparties	Southern California Edison Company	Southern California Edison Company and certain affiliates of Southern California Edison Company have been clients in certain unrelated financial services matters.
Selected Derivative Counterparties	Pacific Life Insurance Group	Pacific Life Insurance Group is not a client but Dechert represents and has represented certain affiliates of Pacific Life Insurance Group in certain unrelated financial services and finance and real estate matters.
Selected Derivative Counterparties	HFF I, LLC	HFF I, LLC is not a client but Dechert has represented certain affiliates of HFF I, LLC in certain unrelated finance and real estate matters.
Selected Derivative Counterparties	HarbourView CDO III, Limited	HarbourView CDO III, Limited is not a client but Dechert has represented certain affiliates of HarbourView CDO III, Limited in certain unrelated finance and real estate matters.
Potential Parties in Interest	Friedman, Billings, Ramsey & Co., Inc.	Friedman, Billings, Ramsey & Co., Inc. and certain affiliates of Friedman, Billings, Ramsey & Co., Inc. are clients in certain unrelated finance and real estate, financial services and litigation matters.

**Representations of Parties in Interest in Unrelated Matters (Cont'd)**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Potential Parties in Interest	Regions Bank	Regions Bank is a client in certain unrelated financial services matters.
Potential Parties in Interest	GM Canada Foreign Trust	GM Canada Foreign Trust is not a client but Dechert has represented certain affiliates of GM Canada Foreign Trust in certain unrelated intellectual property, finance and real estate, financial services, litigation and tax matters.
Potential Parties in Interest	RWE	RWE is not a client of Dechert but Dechert has represented certain affiliates of RWE in certain unrelated bankruptcy, corporate and environmental matters.
Potential Parties in Interest	Continental Airlines, Inc.	Continental Airlines, Inc. is not a client, but certain affiliates of Continental Airlines, Inc. are clients in certain unrelated corporate and litigation matters.
Potential Parties in Interest	Templeton Global	Templeton Global is not a client of Dechert, but Dechert represents and has represented affiliates of Templeton Global in certain unrelated financial services, litigation and tax.
Potential Parties in Interest	Profunds Advisors LLC	Dechert has represented an affiliate of Profunds Advisors LLC in certain unrelated finance and real estate matters.

**Representations of Parties in Interest in Unrelated Matters (Cont'd)**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Potential Parties in Interest	Electrabel	Electrabel is a client in certain unrelated corporate matters. Dechert has represented certain affiliates of Electrabel in certain unrelated litigation matters.
Potential Parties in Interest	Deere & Company	Deere & Company is a client in certain unrelated finance and real estate matters.
Potential Parties in Interest	Electricite de France	Electricite de France is a client in certain unrelated corporate matters.
Potential Parties in Interest	Neuberger Berman Income Opportunity Fund Inc.	Neuberger Berman Advisers Management is not a client but Dechert has represented certain affiliates of Neuberger Berman Advisers Management in certain unrelated corporate and financial services matters.
Potential Parties in Interest	Intersil Corporation	Intersil Corporation is a client in certain unrelated corporate matters. An affiliate of Intersil Corporation is a client in certain unrelated corporate matters.
Litigation Claimants	The Adelpia Recovery Trust	The Adelpia Recovery Trust is a client in certain unrelated litigation matters.
Litigation Claimants	Sentinel Management Group, Inc.	Sentinel Management Group, Inc. is a client in certain unrelated finance and real estate matters.
Informal LBHI Bondholder Group	King Street Capital Management, LLC	King Street Capital Management, LLC is a client in certain unrelated financial services matters.

**Representations of Parties in Interest in Unrelated Matters (Cont'd)**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Professionals Retained by the Company	Nautadutilh N.V.	Nautadutilh N.V. is a client in certain unrelated corporate matters.
Professionals Retained by the Company	Maples and Calder (Cayman Office)	Maples and Calder (Cayman Office) is not a client but Dechert has represented certain affiliates of Maples and Calder (Cayman Office) in certain unrelated litigation matters.
Professionals Retained by the Company	Lazard Freres & Co.	Lazard Freres & Co. is a client in certain unrelated corporate and financial services matters.
Professionals Retained by the Company	Bar & Karrer AG	Bar & Karrer AG is a client in certain unrelated litigation matters.
Professionals Retained by the Company	Jenner & Block LLP	Jenner & Block LLP is a former client in certain unrelated litigation matters.
Professionals Retained by the Company	Duff and Phelps	Duff and Phelps is a client in certain unrelated corporate matters.
Professionals Retained by the Company	Cassels Brock & Blackwell LLP	Cassels Brock & Blackwell LLP is not a client, but a certain affiliate of Cassels Brock & Blackwell LLP is a client in certain unrelated litigation matters.
Professionals Retained by the Company	Houlihan Lokey Howard & Zukin Capital, Inc.	Dechert has represented Houlihan Lokey Howard & Zukin Capital, Inc. in certain unrelated financial matters.



**Representations of Parties in Interest in Unrelated Matters (Cont'd)**

<b>Category</b>	<b>Entity</b>	<b>Description</b>
Largest Holders of Trade Debt	Hatfield Phillips International Limited	Hatfield Phillips International Limited is not a client but Dechert has represented certain affiliates of Hatfield Phillips International Limited in certain unrelated finance and real estate matters.
Members of Ad Hoc Creditors' Committee	Cyrus Capital Partners, L.P.	Cyrus Capital Partners, L.P. is a client in certain unrelated corporate matters.
Members of Ad Hoc Creditors' Committee	Capital Guardian Trust Company	Capital Guardian Trust Company is not a client but certain affiliates of Capital Guardian Trust Company are clients in certain unrelated corporate and litigation matters.
Significant Leases	BNC Mortgage LLC	BNC Mortgage LLC is not a client but a certain affiliate of BNC Mortgage LLC is a former client in certain finance and real estate matters.
Largest Holders of Trade Debt	Standard Chartered Bank	Standard Chartered Bank is a client in certain unrelated financial services matters. Certain affiliates of Standard Chartered Bank are clients in certain unrelated corporate and financial services matters.